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FREE TRADE “NOT PROVEN,”

IN SEVEN LETTERS TO THE

PEOPLE OF ENGLAND.

WITH AN INTRODUCTORY ADDRESS TO

RICHARD COBDEN, ESQ., M.P.,

BY RICHARD OASTLER.

“PROVE ALL THINGS.”

PRICE SIXPENCE.

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INTRODUCTION.

TO RICHARD COBDEN, ESQ., M.P.

SIR,—Although the immediate cause of the following letters, was the mistaken notions of Mr. Labouchere, expressed in the House of Commons, I can shew just cause for thus calling your attention to their contents.

Mr. Labouchere was but repeating the lesson of the Anti-Corn-Law League,—you were its founder and the apostle of its creed.

Since a prime minister's acknowledgment of your prowess, no minister of the crown can be disgraced by taking rank on the question of free trade, under the "master mind," by whose "appeals to reason, enforced by eloquence the more to be admired because unaffected and unadorned," the free trade "measures were carried."

Being my representative in Parliament, I have now a claim on your attention.

I am under the conviction that Sir Robert Peel was in error, when he charged you with appealing to the "reason" of your auditors. From your first appearance in public, you disclaimed all such intention; specially warning your followers "sedulously to avoid every attempt to force a discussion on the principle of free trade," denouncing all such discussions as "supererogatory, and calculated only to mystify what had been a plain and unembarassed question, ever since," you said, "Adam Smith and others, had clearly demonstrated its obvious truth."

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In confirmation of this strange fact, I refer to your letter in the *Anti-Corn-Law Circular* of April 23rd, 1839; from which the above quotations are taken, and, to the invariable course pursued by yourself and followers, avoiding, on all occasions, any attempt at argument, and constantly enforcing your claim by declamation, denunciation, and threat.

Granted, Sir Robert Peel might be unwilling to admit that he was the victim of terror; he preferred that it should be understood he had been convinced by, what he was pleased to term, "your appeals to reason." Sir Robert Peel is a most able and practised debater,—at that moment, he required every aid to preserve his position, by proving that he had not betrayed his friends. How useful would it have been, had the prime minister been able to quote your "unaffected and unadorned" arguments, by which he had been convinced of his former ignorance! Had they existed, your eulogist would not have failed to quote them. At that moment, they would have been a God-send to the Conservative chief.

No, Sir, it was not by your "appeals to reason," that Sir Robert Peel was persuaded to adopt your principles—(principles that during a long life he had declared to be fatal to the institutions he had sworn to maintain)—the prime minister — was terrified into an abandonment of his principles, by the threatening attitude you and your followers assumed. He exhibited signs of that terror in the House of Commons, when, with blanched cheeks, quivering lips, and faltering voice, as absurdly as falsely, he charged you with a design to procure his assassination! That deplorable instance of weakness, proved his incapacity to rule; from that moment, it became evident, Sir Robert Peel was not the pilot who could safely steer the vessel of State in troublesome times.

I have another reason for requesting your attention to the following letters.

It will be in your recollection, that, before the free trade measures were passed, I communicated, (through Mr. Stanfield, delegate from Leeds,) to the Anti-Corn-Law delegates then assembled in London, my conviction, that the question had not been fully discussed—the fact, that Adam Smith had not, (as you had instructed them he had) "demonstrated the obvious truths of the free trade principles." You will also remember, that I authorised Mr. Stanfield to offer, on my part, to meet you, or any other chosen champion of the Anti-Corn-Law League, to discuss the question; engaging, from the works of Adam Smith, to prove the impoverishing tendency of the operation of free trade. You cannot have forgotten, that no

answer was given to that communication. The delegates, acting on the advice you had originally given them, "sedulously avoided discussion."

I am not about to charge the measure of free trade with all the miseries we endure; its staunchest friends must, however, admit, that it has failed to produce all the good effects they anticipated. I know that many, who were confident, begin to doubt. I know, also, that you and some others, persist in your former notions. Still, I think, you cannot now refuse me your attention.

Although you have attained to eminence, there is some similarity in our condition. We are each the sons of yeomen. We have both been resident in the manufacturing districts, and conversant with commercial affairs. We have been "agitators."—you, against the selfishness of the aristocracy; I, against that of your own order. We have each been misunderstood, and, consequently, misrepresented.

Sir Robert Peel, in your presence, before the assembled Commons of Great Britain, charged you, falsely, with an attempt to procure his assassination:—before the same audience, in my absence, without any provocation, you falsely charged me with the crime of teaching the people to destroy machinery. I called upon you for proof. You were silent. Sir Robert Peel apologized.—You were not so manly.

We each pursued our "agitation," till victory crowned our efforts—the Free Trade measures are carried, the Ten Hours' Bill is passed. Still, many doubt the soundness of these measures. Our duty, then, is plain. If we are sincerely convinced of the beneficial tendency of our measures, we must strive, as far as we have influence, to give them a fair trial.

That trial cannot be had, if the country is to pass through another season of political agitation. This brings me to further reason, why I request your attention to the following letters. I would fain induce you to forego your threatened scheme of political agitation; and, as you are bound to do, by every consideration and motive that honour dictates—give rest to the public mind, and fair play to the action of your favourite measure. Why should you fear to give a fair trial to free trade? I court one, for the Ten Hours' Bill.

The fate, for weal or woe, of millions of human beings is now being weighed in your scales. It is your duty to prevent any movement that may shake the beam, should the balance turn against your theory, the re-action will be terrific.

You know that I believe, with Adam Smith, that your

scheme is fraught with ruin—ruin to the manufacturers and shopkeepers, as well as the operatives;—ruin to the landlords, as well as the tenants and labourers!

In the following letters I have endeavoured to explain, why poverty must follow in the wake of free-action; that is why I wish you to peruse them. If my argument is unsound—you can refute it.

On one point, we must be agreed. No person can deny, that, *in a country whose population is on the increase, if the condition of the people is maintained, its industrial affairs must be so managed as to cause an increase in its capital, equivalent to its increasing population.*

From that point we diverge. You assert, and have induced the legislature to believe, that that increase can only be secured by the increase of our foreign trade—and you say, Adam Smith has demonstrated that fact. I maintain that that increase can only be found in the increase of our domestic exchanges, in articles of home production; and I quote a long, and, as I think, an unanswerable argument from Adam Smith in demonstration of the theory I support! Should I have misquoted your favourite authority, I am open to your correction and reproof.

If I am right, the foundation on which you build is removed: if wrong, I err in company of him, whom you claim as your guide.

Believe me, Sir, I am most anxious to be well informed on this subject. I have spared no labour to arrive at the truth. I believe that I am not mistaken. I know that the country has wagered its prosperity and happiness on this question, and, I fear the issue will be universal poverty—increasing destitution—civil commotion—and revolution! I cannot believe that our institutions will be maintained under the operation of unregulated action. **NEITHER DO YOU!**

Start not at this assertion. Out of your own mouth, I judge you.

At a meeting of your friends, soon after your return from the continent, you charged the legislature with “madness,” for having passed so many railway bills! Now, Sir, if the theory of free trade is sound, the proof of “madness” would have been, in rejecting any railway bill. For, on the principle of free trade, the legislature could not be justified in interfering to prevent the free employment of capital in railways. By that declaration of yours, you stamped “madness” on your whole scheme! You assert that free trade is a fallacy—a delusion—an egregious error!

As one of your constituents, I require you to reconcile that declaration, with the principles of free trade ; or, failing therein, to acknowledge your mistake.

Be not offended when I hint to you, that it is possible you may have been dazzled by flattery and success ; you may be blind to your own inconsistency. I am aware, however, that one of your greatest admirers, one of your most staunch supporters, one of your most liberal patrons, himself a Manchester spinner, printer, and merchant, expressed to me, his "great astonishment at your inconsistency, with reference to railways and corn." He admitted that, "if your charge against the legislature were just, free trade was false."

I think I have shewn cause why you should not despise this little book. If it contain error—shew where. If it unfold the truth, admit that you have misrepresented Adam Smith, misled the Anti-Corn-Law League, and through them, the legislature. Now, Sir, a few words on your new move, and I have done.

The extension of the suffrage as proposed by you, will only increase the power of a class—and consequently make the representation still more unequal.

The reduction of the burdens of the people, must follow the reduction of their wages and profits. There is no need to "agitate" the people on that point. Necessity has no law. The government cannot evade that conclusion. But what then? The people will be in no better condition—their wages and capital will not be increased—and without increase, their condition cannot be maintained.

We must have no more quackery, Mr. Cobden! Extend the suffrage as you may—expunge the debt—abolish taxation, if you will—still, if you cannot shew the true method of managing, arranging, and regulating our industrial affairs, so as to *cause an increase of our capital, commensurate to the increase of our people*, and thus provide profitable employment for our increasing numbers, I say, if you cannot thus arrange our industrial affairs—you may give us what suffrage you please, what reduction of taxation you desire, together with "free trade all over the world," but, you will not save the labourers and operatives from poverty—the landlords and tenants from ruin—nor the manufacturers and shopkeepers from bankruptcy!

Believe me, Sir, it is now too late to cajole the people. The cry, is, "employment and bread!" Shall it be answered by wise legislation, or, by revolution? That is the question, which in the following letters, I have endeavoured to solve.

Some there are, who still place their hope in the skill and prudence of Sir Robert Peel. In him I have no hope.

Sir Robert Peel is a clever financier—an expert parliamentary debater—an orderly man of business—a finished classic—an elegant and easy speaker—of plausible manner—but, he is not a great Statesman! He lacks the masculine grasp of mind so needful in perilous emergencies. Sir Robert Peel was not formed to rule in a storm. He does not profess to see any way of escape from our national difficulties. His highest ambition is, to satisfy the monied interest, by providing for quarter day. That done—he thinks all is *safe* and right. He had not the foresight of Cobden, else, he would have discovered that free trade would endanger the dividends. He does not believe in any plan to raise the pauper, or, reward the labourer. He is convinced that the natural result of mental development, is, the impoverishment of the species! He knows not how to guard the simple from the cunning! I do not misrepresent Sir Robert Peel, these are his words—they were spoken in the house of commons:—“My impression is, that no effectual remedy can be applied in the present artificial state of the country. Much of the distress, I believe, has arisen from the employment of machinery; and what remedy, I would ask, can be applied against the progress of human enterprise and ingenuity?”

A Statesman who has given expression to such thoughts, can never be expected to devise the means by which a remedy can be applied to our national diseases.

Were Sir Robert Peel's mind moulded for a Statesman, he would never utter an expression, tending to convey the idea, that a “remedy” for our social evils could be sought for, by legislating “*against* the progress of human enterprise and ingenuity.” He would know, that *regulating* the use of the inventions of “enterprise and ingenuity,” not *opposing* them, is the desired “remedy” now sought for. If no Statesman can explain the needful plan,—why then, it is clear, “the man for the time” has not yet appeared.

We want the sense to use the wit we have. We must begin at the beginning—restore what we have destroyed—and get rid of those foreign innovations that disgrace our country.

The claims of poverty must no longer be determined in Somerset House—the reward of labour must not be stinted by the selfishness of a few employers—the security of property may no longer be jeopardized by universal competition. We must find better administrators of the law than government commissioners—safer protectors of life, than governmental police.

We must, in fact, learn how to *use*, (not abuse) “machinery,” and other results of “human enterprise and ingenuity,” by making them the help-mates, not the oppressors, of human labour.

We require, Sir, the restoration of our parochial system—the re-establishment of our Guilds. Centralization and irresponsible action, are not suited to the genius of Britain. We would know, and be known, by those who enforce our laws—we would restore the influence of our clergy, gentry, and ratepayers—and thus guarantee, the dearest and most sacred right—the right of the poor to liberty and life.

England pants not for revolution—she wants her own boasted, cherished, glorious Constitution! But, Sir, she demands it, in its integrity!

At present I have done.

I am,
Sir,

A WEST-RIDINGER.

One, (among thousands of your constituents,) who believes that the measures you have recommended under the name of free trade, will be destructive of the capital of the district you represent—and of none so certainly and speedily, as of that portion which is vested in manufacturing operations.

RICHARD OASTLER.

Fulham, Middlesex, Sept. 20, 1848.

FREE TRADE "NOT PROVEN."

TO THE PEOPLE OF ENGLAND.

Letter I.

FELLOW COUNTRYMEN,—The whole scheme of your social industrial arrangements has lately been changed. Your continental neighbours are engaged in an attempt to establish perfect systems of social order, on new principles. Hitherto, they have not succeeded. They are bewildered with the solution of the great problem they have undertaken to solve. Your own novel experiments have not, as yet, produced the beneficial effects that you expected. All is uncertainty, instability, and anxiety.

Under such circumstances, if there be truth in the new principles, which have been declared to have their foundation in "common sense," would it not be wise to seek domestic peace, and thoughtfully pursue your industrial occupations? You would then give fair play to the operation of those novel contrivances that were promised to secure your happiness and prosperity, and give time for the issue of those experiments that are now to be tried in other countries.

Were the apostles of the new theory confident in the excellency of their plans, they would be most anxious, during their trial to avoid every kind of political agitation and excitement; they would urge you to the quiet and peaceful pursuit of your labours, and tell you, that public agitation would interfere with the well-working of their system, and deprive you of the benefits of your great exertions in support of their schemes.

I am unwilling to impute motives to any person, but I am unable to account for the present conduct of Mr. Cobden, except upon the supposition, that he is fearful of the result of that great national experiment which he caused the legislature to try. He must be aware that perpetual social agitation will delay the benefits to be derived from any social system, and I fear he is now preparing an excuse for the failure of his scheme.

He advises you to "agitate" for political changes. Should he succeed, he will be able to say "political agitation has hindered the well-working of free trade!"

I would urge you, for the present, to give free trade a fair and peaceful trial, and wait the issue of the continental experiments, before you again embark in political agitation. Be assured, if you take Mr. Cobden's present advice, agitation will rob you of all benefit from free trade; and will, under present circumstances, lead you, politically, much further than either you or Mr. Cobden wish to proceed.

You are aware that, on the subject of free trade, I differ from Mr. Cobden. I believe its foundation is selfishness, and that its fruits will be evil. I am not, however, wishful to impede its operation by public excitement and political agitation. I would give it fair play, and thus enable you to judge of its unimpeded effects, of its genuine results.

Instead of public excitement, I would recommend you carefully to watch the operation of free trade on your different interests, and, in your intervals of rest, calmly and thoughtfully to examine into the truth or falsehood of those principles on which free trade is founded. I believe that you have adopted them under excitement; expecting, as I do, an injurious effect from their operation, I am anxious that you should discover the unsoundness of the principles, as you reap the evil fruit of the practice.

By close and persevering attention to the fallacy on which the principle of free action rests, you will be more readily persuaded to adopt the true principle of social economy, whose foundation is love.

Many opportunities will arise, calling your attention to this most interesting subject. Be assured, it is a great mistake to imagine that the truth of free trade principles, has been demonstrated by Adam Smith or any other man. They have been adopted under the agitating influence of excitement, they will still constantly demand the attention of the legislature, and, consequently, that of the public.

On the 23rd of May, Lord George Bentinck, as I think justly, complained, that British industry was injured by the introduction of foreign manufactured cotton, silk, wool, &c. His lordship urged on the attention of the House of Commons, that those foreign goods took the place of British goods in our own market, and damaged our own industrial interests.

Mr. Labouchere replied to his lordship, contending that no loss to ourselves was consequent on the admission of those foreign manufactures, and insisted, that they were advantageous to us, and to other nations. He said: "The noble lord conceives that foreign imports into this country are, in themselves, an evil. He always argues upon the supposition that all foreign goods imported here, supplant, in some way, goods the produce of this country, and throw out of employ a certain number of Englishmen, who would otherwise be employed. Now, I never can persuade myself that this is the fact, until the noble lord can satisfy me, that foreigners

make us a present of their goods. In some way or other, they must be paid for by the produce of the industry of the people of this country. And this is really what is so beneficial in the general extension of commerce, that it is a boon not merely to one nation, but to all that engage in it; and so far from its being necessary to view with jealousy, the expanding and increasing commerce of other countries, we have a common interest in it."

Now, in this paragraph, Mr. Labouchere has opened the question of free trade to its very kernel. If there be truth in this declaration, our duty and interest will be, patiently to endure our present troubles, and industriously pursue our different productive employments, being assured, that nothing will so surely retard our returning prosperity, as national political agitation. If Mr. Labouchere be mistaken, if his assumption be founded in error, still, a state of universal excitement will hinder our perception of its demonstration, and we shall be told "free trade has not had a fair trial." In either case, then, it is our duty and our interest, for the present, to reject the offered political agitation by Mr Cobden.

I believe the assumption of Mr. Labouchere is a fallacy. I think that I can demonstrate its unsoundness. If I succeed, I shall prove that, until the question thereon raised shall be justly settled, it is folly to hope for real prosperity (whose foundation must be, profitable employment for all who are able and willing to work) by any means, short of an entire overthrow of the free trade scheme.

Had we Mr. Cobden's political reforms without asking for; nay, were universal suffrage and every point of the charter granted to-day; were we rid of all our taxation, and, by consequence, of all the "barbarisms" of royalty; were Cobden the president of the Republic of Britain; still, while we remain ignorant of the true principles of political economy, it is impossible that we can be prosperous.

It appears to me, that, if Mr. Labouchere's assumption (which is only Mr. Cobden's at second hand) be carried into practice, it must cause a perpetual drain from our capital, that will be more sure to cause national calamity and poverty, than all the taxation we now pay, with its attendant royal "barbarisms." That drain is free trade!

If health should be granted to me, I will return to this subject—taking Mr. Labouchere's proposition as my text.

Meantime, let me urge upon you, not to fall into the pit which is now laid for you by Mr. Cobden.

Mark the result of political agitation, conjoined to ignorance, on the great questions on which all prosperity must depend—look at France, but yesterday revolutionised for the benefit, as was hoped, of the labouring class! Now, the very authors of that revolution are the proscribed class! And the republican government (the offspring of universal suffrage) requires more taxes and bayonets and prisons, than did that of the dethroned and banished monarch. And why? Simply, because the authors of the revolution, were prepared with no better remedy for the poverty of the labourers, than

the plunder of the rich! They did not know the true principles of political economy, by the operation of which, the arrangement of the different productive interests may be regulated, so as to ensure mutual and profitable exchange, and thus make all production tend to national prosperity, by the constant increase of wealth or capital, without invading any one's right.

Fellow countrymen, take warning by France! Test, by experience, the radical changes already effected by Cobden, ere you again obey his call to "agitation." Seriously consider the propositions that must, ever and anon, be put forth in our own Parliament, and watch the effect of the continental changes; thus you will discover truth.

I remain,

Englishmen,

Yours most faithfully,

RICHARD OASTLER.

Fulham, Middlesex June 5, 1848.

TO THE PEOPLE OF ENGLAND.

Letter II.

FELLOW COUNTRYMEN,—The subject on which I have undertaken to address you, becomes daily of more interest. As nations attempt to right themselves, ignorance on the all-important principle of social and industrial arrangements, involves them in inextricable difficulties. Even with ourselves, who, but two short years ago, believed that we had solved the great problem, doubt has taken the place of confidence, and the anticipated universal remedy for all our social diseases, is now acknowledged to be inapplicable to numerous and extensive cases of suffering.

I have been very much gratified while reading an article in the most powerful organ of the free trade party—an organ to which no person is under more obligation than myself—the *Times*, an extract from which cannot fail to be perused with interest, by all who are concerned in the settlement of our social arrangement on a just basis.

It will be observed that, while the *Times* adheres to “the general axiom of the economists,” it candidly admits that “the *laissez-faire* lesson is purely economical; that it disclaims all collateral moral considerations.” Hence the unsoundness of that, so much vaunted, scheme of national regeneration.

The paragraph to which I allude is most important. I will transcribe it, beseeching all who fancy that, the principle of free action (usually termed free trade) is consistent with the prosperity and peace of society, will read it with marked attention, asking themselves, in what cases a principle which, if unrestrained, unregulated, “would, in operation, dissolve the whole frame of society,” can be applied as a safe general rule of social government?

The important passage to which I refer is as follows:—“The general axiom of the economists, *laissez-faire*, is, as a purely economical lesson, of the highest importance to governments. But then it should be recollected, that it is purely economical; that it disclaims all collateral moral considerations; that it was laid down in face of the overwhelming mischiefs which had been caused by meddling governments, royal monopolies, ill-administered companies, and ignorant quacks. Applied to the dealings between man and man, individually, and apart from state considerations, it is the true basis of traffic and of commerce; interpreted to the extent to which its abstract advocates would carry it, *it would dissolve the whole frame of society, and leave men to the tyranny of superior might, the trickery of superior acuteness, the oppressiveness of caste, the uncertainties of chance, and the vindictiveness of violence.* If, from all

the transactions of life, legislative interference and governmental control were habitually excluded, it is easy to imagine a thousand cases of gross injustice, of intolerable severity, of cruel neglect, and more cruel revenge, which would go unredressed till the social malady became equally formidable in its endurance and its remedy. It is to prevent the evil of helpless suffering and the more fearful evil of self-redress, that politicians are warranted in their divergence from rules which, excellent as general propositions, lose their value by a bigoted and exclusive application."—The *Times*, June 13th, 1848.

In the above argument, the fearful consequences of yielding to the principle of free action are so eloquently, forcibly, and candidly asserted, as to render it unnecessary, in this place, to occupy time in discussing the merits of a "general proposition" which, it is admitted, requires "legislative interference and governmental control" to prevent its operation producing "the dissolution of the whole frame of society."

Pardon this diversion. Its importance is my apology.

Returning to the subject of my last, I think I may say, every day's experience, both foreign, colonial, and domestic, proves how universally important is a right understanding of a principle, that is admitted to be essential to the establishment of society, on a safe and just foundation. Our continental neighbours are more and more bewildered in the settlement of their "Constitutions;" our colonies are wasting away under the infliction of a scourge, the consequence of our disregard of this great fundamental principle; and, at home, it is most remarkable that, since the adoption of the principle of free action, our legislature has been compelled to enact measures of regulation and restraint, interfering, more than any former enactments, with the freedom of commercial, manufacturing, social and political action. Being thus unwittingly compelled to write "Ichabod" on their boasted nostrum!

Fellow countrymen, these facts should lead us all to abandon our party and sectarian prejudices—to resolve, with candour and diligence, to engage in the investigation of that most important question, which so many facts demonstrate, that we have not yet satisfactorily solved. In this spirit, favour me with your attention, while I attempt to show, the fatal error involved, in the assumption of Mr. Labouchere, quoted in my last letter.

This is Mr. Labouchere's case:—

1. Foreign imports into this country, of manufactured cotton, silk, wool, &c., are not, in themselves, an evil; because they do not supplant goods the produce of this country, or throw out of employment a certain number of Englishmen who would otherwise be employed.

2. Foreign imports into this country, of manufactured cotton, silk, wool, &c., are really beneficial; because, in some way or other, they must be paid for by the produce of the people of this country.

3. This free international exchange of the produce of industry

is beneficial in the general extension of commerce, and is a boon, not merely to one nation, but to all that engage in it.

Now, if Mr. Labouchere has stated that which is really true, I frankly acknowledge there is an end of the question. It is also self-evident, that, if true, there can be no danger in the universal extension of a principle so sound, and that our prosperity will be advanced, by the increase of foreign imports into this country, of manufactured cotton, silk, wool, &c., to such extent, as to save us the trouble hereafter of manufacturing any of those articles. Such must be the case, if the assumptions of Mr. Labouchere have truth for their foundation.

The subject is too important to be left in doubt. The whole question, of the nation's well-being, is involved in the issue. That issue is fairly challenged.

I think the proposition advanced by Mr. Labouchere contains a great fundamental fallacy—an error adopted by modern economists, and relied on by modern statesmen, but no less fatal on that account.

Mr. Labouchere entirely overlooks the facts, which none can gainsay, that every commodity wrought, manufactured, produced, or sold, in a country, involves not only itself, but another equal value of production, for which it is exchanged, and on which, labourers depend.

Mr. Labouchere believes, that it is of no consequence, whether that other equal value, be of home, or, foreign production. *On that fatal error, the whole superstructure of, what is called free trade, rests!*

If favoured with health, I will, in future letters, endeavour to demonstrate the fallacy in Mr. Labouchere's proposition, by facts, and by the highest economical authorities.

Should I be successful, I shall furnish ground for a change in legislation, without which, in my opinion, we must gradually decline.

I am,
 Englishmen,
 One of yourselves,

RICHARD OASTLER.

Fulham, Middlesex, June 21, 1848.

TO THE PEOPLE OF ENGLAND.

Letter III.

FELLOW-COUNTRYMEN,—The cause of the French revolution is now revealed. Pity that it should have been announced in blood!

It is not Royalty—it is not the Chamber of Peers—it is not inadequate Representation. It is ignorance of the true principle of political economy. That ignorance engendered want, discontent, rebellion!

The ministers of the king, and those of the republic, were unable to give, or cause to be found, profitable employment—in other words, bread for the people. Each government failed to perceive that the first principle of social arrangement is mutual dependence, whereby each one is engaged in producing for another as well as for himself, and the whole productions are made to keep pace with the wants of the people. Thus the capital of the nation is increased with the increase of its numbers and requirements, and bread is found for all.

The king's government, being blind to the necessity of regulating the national industry, and ensuring a mutual and profitable exchange among the people, by inducing just proportions of such produce as the want of the people required, allowed too large a proportion of capital and labour to be dissipated in unnecessary productions. The result of such neglect was, an enormous proportion of French labour became valueless. Hence the revolution.

The republican government, perceived the result of the neglect of their predecessors, but were ignorant of its cause. They fancied, they could give to labour its real value, by offering any sort of employment to the labourers, without regard to the nature of the productions, taxing those who had property, for the purpose of paying the wages of the labourers. In a few months, such ignorance was sure to augment the evil it was intended to cure. It did so. Hence the insurrection.

On a late occasion, Prince Albert shadowed forth the true principle of political economy, when his royal highness said: "Depend upon it, the interests of those classes which are so often contrasted are the same, and it is only ignorance which prevents them from uniting for each other's advantage." The Prince added, what it would be well that her Majesty's ministers should seriously reflect upon, "to dispel that ignorance, and to show how man can help man, notwithstanding the complicated state of civilised society, ought to be the aim of every philanthropic person. But it is more peculiarly the duty of those who, under the blessing of Divine

Providence, enjoy station, wealth, and education." It results, that the highest duty, or responsibility, rests with those who have the government of the whole people in their hands—it is to them, we must look to make such arrangements as will enable each one (not in idle, unprofitable employment, but by giving a just value to his labour) to help another; that is, by establishing the principle of mutual dependence, in the place of universal competition, or individual independence, by encouraging the interchange of our own productions, not substituting foreign productions in their place.

It is the "ignorance" of which his royal highness complains, that has overthrown the royal throne of France. It is that "ignorance" which has (with the sanction of the republic founded on universal suffrage) deluged the streets of Paris with the blood of her *free* citizens, under the motto of "Liberty, Equality, Fraternity!"

England should take warning! That self-same "ignorance" is now diminishing the springs from whence our taxes flow—striking at the root of that wealth which ought to be created by our merchants—throwing hundreds of thousands of our people out of employment—reducing the wages of nearly all who are employed—increasing the burdens of our tradesmen, decreasing their profits—augmenting the poor rates—producing pauperism and universal discontent.

If that "ignorance" cannot be dispelled, France proclaims to us what we may expect!

In France, in England, in every State, no matter what the form of government—republicanism run mad, or despotism in its most cruel form—still, if the wants of the people are supplied—if prosperity is secured, the national capital must be kept in advance of the requirements and numbers of the people. This can only be effected by regulating the employment of the people in such productions as the people require; taking care that there shall be no excess nor any lack, by which means the labour of all will be profitable, because the produce of all will be in demand.

When the wants of all have thus been provided for, the surplus production will form a capital, to be exchanged for such foreign commodities or luxuries, as may be required.

Let us examine Mr. Labouchere's assumptions. If they accord not with this principle, they are the result of that "ignorance" which the royal consort deplors. Private exertions will fail to remedy national evils, engendered by a national departure from the true principle.

Mr. Labouchere assumes that "foreign imports into this country, of manufactured cotton, silk, wool, &c., are not, in themselves, an evil; because they do not supplant goods the produce of this country, or throw out of employment a certain number of Englishmen who would otherwise be employed."

Before Mr. Labouchere can prove his case, he must show, that we do not, and cannot manufacture a sufficient quantity of "cotton,

silk, wool," &c., for our own consumption; else, it is evident, that, if we import a million pounds' worth of such goods, those foreign manufactures must "supplant goods the produce of this country" of the same amount; in other words, displace one million pounds of our own capital, and also the labour connected therewith.

Such imports produce an unnatural competition, by which, the whole capital or stock, in such articles, is reduced in value, and, eventually, the home production is diminished by the amount of such imports, and also by the less demand consequent on such reduction of the national capital. True, the price is lowered—"cheapness," so called, is secured—but we fail to find the "boon" promised by the free-traders—such an increased demand as was predicted to follow that "cheapness." And why? Because our capital is reduced, our means of production are thereby lessened, our producers receive less profit and lower wages; they are, consequently, obliged to consume less. Such "cheapness" can only benefit persons whose money income is fixed. THEY may purchase more goods, but they are more taxed, and their security is endangered by the discontent that is consequent on want.

Let any one, acquainted with the manufacturing districts, mark the loss, the wretchedness, the pauperism, and the consequent discontent and insecurity, that are occasioned by the displacement of one million of capital, employed in the manufacture of "cotton, silk, wool," &c., and I am persuaded he will agree with me, that no "cheapness" in those articles, can compensate for such losses, trials, sufferings, and dangers.

The evil is augmented by the assurance that when the market may seem to have righted itself, and all the producers (employers as well as employed) shall have accustomed themselves to less profits and less wages, with heavier burdens, a further amount of importation will follow, again displacing an equal amount of capital, and causing another derangement in the whole manufacturing interest—another reduction of profits and wages—another impulse to pauperism—another increase of taxes—another cause of discontent, and insecurity.

Under present circumstances, these evils are very materially augmented by the disasters in France and other countries, where their own home demand has been greatly reduced; causing their manufactures to submit to unusually low prices (in some cases less than one-half the former value); those goods, being imported into this country, are placed side by side with our own productions, and increase that "cheapness" which creates such misery, decay, and discontent in our manufacturing districts, as must cause grief, if they do not produce fear, in the minds of our governors, and which have recently called forth that order from her Majesty respecting the consumption of home productions by those who appear in her Majesty's presence. True, Lord John Russell informs us that that order was not advised by the cabinet—it is

therefore known to be the unfettered result of the Queen's will; and it has stamped unsoundness, by the royal hand, on the vaunted free-trade measures of her Majesty's government.

It seems clear, then, beyond the power of successful contradiction, that all foreign imports, no matter of what kind, provided we either do, or can, produce such goods or commodities ourselves, must be injurious.

If we do already produce them, their importation must displace the capital and labour employed in their production; if we can produce them, they hinder us receiving the profit on our own capital, which would be consequent on their production; and thus close a channel which, if opened, would lead to that increase of capital that we (increasing, as we do, in numbers) so much require.

It is, then, evident that those foreign importations increase that distress, pauperism and discontent which, at this most critical epoch, are so dangerous to the stability of our institutions.

If I err, let it be shown. I do not argue for victory. I am in search of truth.

In my next I shall endeavour to prove the unsoundness of Mr. Labouchere's remaining assumptions; if I succeed I shall have shown cause for a re-hearing of the free-trade question, especially when I have strengthened my arguments (as I shall do) by the highest authorities in Mr. Cobden's school—authorities in whom he and Sir Robert Peel profess to place implicit confidence.

Granted, the question is most important—in it the nation's physical well-being is involved. Its solution may be difficult. The issue is fairly challenged. That challenge I accept.

If Mr. Labouchere fails to perceive that every commodity must involve an equal value in another commodity, both (in a state of national prosperity) being required to be of home production—where home production is possible—he has not yet mastered that science of which he professes to be a teacher; he has not yet discovered by what means a nation's capital may be increased, to meet the demands of an improving state of society as well as of an increasing population.

I maintain that such increase is necessary (indeed this is admitted by all); but when the exchange may be made by means of our own productions, that increase cannot be realized, by exchanging foreign for home productions, such necessary increase of capital can only be obtained on the principle of mutual dependence, by causing a strict conformity to be observed between our national productions and our national wants.

I remain, fellow-countrymen,

Yours faithfully,

RICHARD OASTLER.

Fulham, Middlesex, June 29, 1848.

P.S.—In this argument it must be understood that the production and consumption of the whole empire (colonies and mother country) are included in the terms home production and home consumption.

R. O.

TO THE PEOPLE OF ENGLAND.

Letter IV.

FELLOW COUNTRYMEN,—I earnestly request your undivided attention while I examine Mr. Labouchere's second proposition, being persuaded that, on its truth or error, the prosperity or adversity of millions of the human race depends.

A false assumption on this vital point being carried into operation, is more pregnant with poverty and death than the most desolating wars.

England has now enjoyed a long repose. For more than thirty years we have lived under the inestimable advantages of peace, but has our prosperity kept pace with the prevalence of that blessing? Have the rewards of skill and industry, or the certainty of obtaining profitable employment, been on the increase? Have pauperism and crime diminished? As a people, are we more united—more virtuous—more contented? No! the sad reverse is the melancholy truth. That truth is written in facts which none can controvert.

A decreasing revenue—diminishing wages and profits—hundreds of thousands of workmen unable to find employment—unprecedented adversity and suffering among our merchants and shopkeepers—increasing poor rates and police rates—enlargement of prisons and bastiles, with consequent discontent among the people, requiring an alarming increase in our police, which, with the army, is unable (without the aid of special force) to prevent the discontented breaking out into actual rebellion—these are, fellow-countrymen, the sad but true characteristics of our country after more than thirty years of peace!

The incalculable numbers of our fellow-subjects who have, during that long period, been consigned to untimely graves by broken hearts, would out-number the ravages of the most sanguinary wars!

And why has our native country thus withered under the sunshine of peace? Are her sons less ingenious, less industrious than their sires? The amazing improvements in science and machinery, and their vast results in operation, stamp falsehood on that assumption. Still, the melancholy facts are undeniable—with peace, unprecedented inventions, and industry, goaded even to death (of men, women, and children), decay, and discontent are the avowed characteristics of this age and nation.

There must be a cause! It will be found in the adoption of falsehood in the place of truth—in that theory of human philosophy which upholds the disuniting man from man, and teaches that each one shall esteem himself independent of any other—that man was

created for man to compete with, rather than to support, love, and cherish.

During that long period to which I have alluded, the principles of Christianity, incorporated in "our glorious constitution," have been gradually supplanted by a false system of political economy; which teaches that every individual is justified in employing whatever capital he can command, for his own advantage, without regard to that of society; thus establishing himself in individual independence, regardless of the well-being of his neighbour, in open defiance of the law of God, which teaches that, "love worketh NO ILL to his neighbour," and, consequently, that any gain which one man obtains to the injury of another is a dishonest, an unholy gain.

It is the unalterable decree of God, which cannot be disregarded with impunity, that society shall be rightly and beneficially constituted, only under the law of mutual dependence, an injury done to the meanest member being an offence against the whole community; for, "thou shalt love thy neighbour as thyself;" and then, "the eye cannot say unto the hand, I have no need of thee; nor again, the head to the feet, I have no need of you."

But, in place of recognising this holy principle of divine origin, our modern economists and statesmen have adopted that of Cain, "Am I my brother's keeper?" And, having resolved to act upon a principle so anti-social and so entirely opposed to that of Christianity—as was natural—they sedulously taught that "religion has nothing to do with politics," until it is become unstatesmanlike to mention religion in parliament—unclerical for a minister of Christ's religion to unite himself in any way with politics—Christianity being no longer the foundation of our legislation.

Under such circumstances, it is no marvel that God should confound and disarrange our national affairs, branding our industry with poverty, our ingenuity with decay, our wisdom with folly—for, among those who set at nought His authority, "He disappointeth the devices of the crafty, so that their hands cannot perform their enterprise. He taketh the wise in their own craftiness, and the counsel of the forward is carried headlong. They meet with darkness in the day time, and grope in the noon day as in the night."

Under such a system, notwithstanding the unfathomed amount of our resources, and the varied and growing genius of our people, it is utterly impossible that our national capital can be increased so as to keep pace with the requirements of our augmenting numbers. Hence, instead of retracing their steps, the apostles of this false and unholy creed raise an outcry against our numbers, the splendour of the throne, and I know not what! "We must," say they, "thin the ranks of the people, strip the Queen of her 'barbarous appendages,' and 'cheapen'" (that's the word) "cheapen every thing." Turn this outcry into plain English, and you will read, "we must have a Republic, without colonies—remove the seat of government to Manchester—and enrich, at whatever cost, our cotton lords!"

On this point I shall have more to say before I conclude this argument.

At present, I must return to Mr. Labouchere's assumptions. I mistake if, in them I shall not discover the fatal error to which I have alluded—the error from which flows the miseries at which I have glanced.

Mr. Labouchere assumes, secondly, that “foreign imports into this country, of manufactured cotton, silk, wool, &c., are really beneficial, because, in some way or other, they must be paid for by the produce of the people of this country.”

The fact stated is true—such imports must, “in some way or other, be paid for by the produce of the people of this country;” but the question is, “Do such foreign imports, by supplanting the domestic or home exchange, increase the capital of this country?” If they do, they are beneficial. If they do not, they must be injurious.

Fellow-countrymen, give me your close attention while I endeavour to solve that most intricate and important question—the question on which the weal or woe of England and her colonies depends.

While examining Mr. Labouchere's first proposition (see my last letter), I had occasion to remark that the importation into this country of one million pounds' worth of foreign goods (similar to those we have previously produced ourselves), would necessarily supplant goods the produce of this country of the same amount; that it would displace one million pounds of our own capital, and the labour and profit connected therewith; thus I demonstrated that such imports are a national evil.

But, says Mr. Labouchere, such imports “are really beneficial, because, in some way or other, they must be paid for by the produce of the people of this country.”

In ascertaining the value of this assumption, it is necessary to find out in what way such foreign imports must be paid for, and at what national gain or loss that payment will be made.

Before the intrusion of those foreign goods upon our home market, it is certain that capital to the amount of *two* millions of pounds was profitably employed at home, one million having been engaged in the productions required in exchange for those home-produced goods, the second million having been, as well as the first million, employed in producing, by ourselves for ourselves. There was then also the employment of labour involved in the successful operations of two millions of pounds; and likewise the merchants', bankers', and shopkeepers' profits on the distribution of two million pounds worth of productions.

Mark this point well! Such *was* our condition *before* we became enamoured of foreign products. Next, mark attentively, the “really beneficial” change in our circumstances, wrought by the substitution of foreign for home produce.

The following must be the necessary course or operation of the change, for it is self-evident that no increase of capital can be consequent on our importing instead of producing for ourselves.

On the importation of foreign productions, to take the place of similar articles *before* produced by the employment of one million pounds of our own capital, it is clear that that one million will be no longer useful—it will be displaced; the profit on its employment, as well as the wages and the profits obtained by its employment (a large sum *heretofore* distributed usefully among labourers, artizans, shopkeepers, merchants, bankers, &c.) will be entirely lost.

It is also self-evident that the profitable employment of that one million of pounds, which was engaged in the home production of such goods as were *before* required in exchange for such other home production (with its attendant employment of labour, and the profits on its manufacture and distribution), will be sacrificed.

It follows, then, that two millions of pounds of our capital will be displaced, and all the wages and profits of their employment in production and distribution will be abandoned, in consequence of the importation of those foreign goods. The amount of misery thus inflicted on society is, indeed, terrible! Still, it is true those foreign goods “must, in some way or other, be paid for by the produce of the people of this country.”

It will not be contended that the foreign exchange for those goods, will be in the same productions as the home exchange for similiar articles.

Those foreign imports, must, then, be either paid for in money (already accumulated out of the productions of the people of this country), or other commodities must be produced to supply the new demand; and one million pounds of our capital will thus be employed either in a money payment, or in the production of the goods required in exchange for the one million pounds' worth of foreign goods imported.

There the exchange and the “benefit” ends. For it must be borne in mind that, in this transaction there is *no creation of wealth*. The one million thus employed must have already existed. It will probably arise out of the wreck of *two* millions, which have been displaced by this transaction.

It is possible, also, that after such loss, inconvenience, peril, and suffering (having learned the new art required in the new manufacture), one half of the labourers and artizans before employed in the operations of the two millions, may find employment in this new source of occupation, but the remainder will form a fixed dead weight on society, to be supported out of the poor rates, or on pillage. To guard society from consequent depredations, the police force and prisons must be increased. It is in vain to hope that benevolence and philanthropy can cure such a self-inflicted evil.

This unemployed body of working men will also continually press upon the market of labour, and thus reduce the wages of those employed to the lowest possible amount.

Add to all this suffering, the entire loss to our bankers, merchants, and shopkeepers of their profits on the production and distribution of one million pounds' worth of goods, and you will be able to appreciate the “real benefit” of which Mr. Labouchere boasts:

it is written in a decrease of capital—a loss of wages and profits, with consequent discontent, crime, and insecurity.

At Mr. Cobden's bidding, we throw away the certain and profitable employment of two millions of pounds; we incur all the losses, vexations, and perils of that suicidal act—for what? Simply to obtain the *chance* “benefit”(!) of the employment of one million pounds in an entirely new line of production!

I ask you, Englishmen, carefully to remark this line of argument. If such foreign imports can operate on our society in a more beneficial manner, let it be stated. I would not, that either you or I should be deceived.

I am aware of the answer of the economist. He says, “by this process, everything will be ‘cheapened,’ and the ‘cheapest’” he adds “must always be the most prosperous country.”

I shall not dispute the fact of “cheapness.” That “cheapness” will not result from plenty, but from poverty. It will arise out of a decrease of capital and employment—it will not be the token of increase and prosperity. That *cheapness* will prove a *loss* to all who are engaged in production and distribution. It will stop the operations of the millowners—close the avenues of trade to the merchants—shut the door on the customers of the shopkeepers—reduce the wages of the labourers and artizans, as well as lower the rents of the landlords. It will demonstrate the truth of those words in Holy Writ, “The eye cannot say unto the hand, I have no need of thee; nor, again, the head to the feet, I have no need of you”—and, “There is a way that seemeth good to a man, but the end thereof is death.”—(A warning to nations, as well as to individuals!) It will prove the sinfulness of man's vaunted scheme of individual independence! It must convince all gainsayers that the plan of mutual dependence is the only one on which society can be beneficially sustained.

True, our highest ministers of State have pronounced that “*cheapness*” to be the result of the working of common sense, forgetting that their highest free-trade authorities, “the great lights” as they call them—have taught a different lesson.

It is to obtain this *cheapness*, this *boon*, this *ignus fatuus*, that our national institutions are to be jeopardised.

By this drain on our capital, our wealth is to be increased! By thus robbing our labourers and artizans of their wages and employment—by depriving our bankers, merchants, farmers, and shopkeepers of their profits—and our landlords of their rents—we are told, that “common sense” awards the prosperity of England!

I shall return to the investigation of this most important question.

If I mistake or miscalculate, I am open to correction. I have endeavoured, truthfully to follow the necessary operation of this so-called “really beneficial” transaction; and although I may disagree with Mr. Cobden, *on this point*, I know that I agree with Dr. Adam Smith.

Englishmen! permit me seriously to ask you—“Will you, under the guidance of a few Manchester-men, consent to cramp the

charity of the church—sap the foundation of the throne—abolish the aristocracy—and destroy the comfort and security of your own hearths—in order to secure that “*cheapness*” which will not be the result of plenty—but, *of your inability to buy?*”

I am,

Yours faithfully,

RICHARD OASTLER.

Fulham, Middlesex, July 6, 1848.

TO THE PEOPLE OF ENGLAND.

Letter V.

FELLOW-COUNTRYMEN,—In my last letter I discussed that particular part of the problem of national prosperity or adversity which constitutes the most important feature of Mr. Labouchere's argument.

On contending for the beneficial result of permitting a home trade to be abandoned, and a foreign trade to be adopted in its place, Mr. Labouchere maintained that this course was "really beneficial," and that it would not throw home labourers out of employment, because the foreign-made commodity, which is thus substituted for the home-made commodity, must be paid for by some other home-made commodity, and thus labour equal in amount to that displaced or disemployed must, he infers, be placed or employed.

While I admitted the truth of Mr. Labouchere's statement, "that such foreign imports must, in some way or other, be paid for by the produce of the people of this country," I showed that great national loss is involved, in changing a home for a foreign customer, and I proved that Mr. Labouchere had entirely lost sight of the real nature of the great question out of which the issue arises—viz., the increase of capital, to meet the increasing demands of the increased population.

Perhaps it may not be out of place, just now, to test the question that occupies, at this moment, so much of our attention, and that of our legislators, by the rule laid down in my last letter.

The question now is, shall we receive our supply of sugar from a colonial or a foreign market?

I have already said that the mother country and the colonies are, in this discussion, one—their interests are undivided. One cannot be injured or impoverished without the shock being communicated to the other.

In this discussion, I entirely threw aside all remark on our having made a bargain with our colonies, which, in honour, binds us (even if we should be great losers) to our contract. Not a word shall I offer regarding the cant about the sufferings of the slaves—the abomination of slavery—and, after all, the peculiarly enticing sweetness of slave-grown sugar, because it is said to be "cheapest."

I shall simply require your attention to the real profit or loss of the new scheme; and I intend to show, that a great national loss of capital must be the result of our national perfidy and hypocrisy.

I shall prove that, whatever the relative nominal prices of the two sugars may be, our own grown sugar is, in reality, the cheapest

—aye, even to the poor wretches in the cotton factories—notwithstanding all the sympathy that has been shown (by the haters of slavery, but lovers of *cheap* slave-grown sugar) towards those miserable white victims of their sympathisers' avarice and cupidity.

In fine, I shall demonstrate that in this case of sugar, as in all other cases, "honesty is the best policy."

The West India islands are the property of English proprietors, or of persons who are our fellow subjects. They are cultivated by labourers who are the subjects of the British crown by birth, or by adoption.

I will suppose the annual amount of sugar to be of the value of ten millions pounds, and that the whole stock thereof is consumed in England.

In that case, those ten millions pounds of annual value, are exchanged here for such commodities, produced by ourselves, as the owners and producers of that sugar require, including all the various commodities which are demanded by the proprietors and their families, who happen to reside in England. All those commodities which are exported from England for the consumption of the proprietors, agents, labourers, and others, who reside in the West India islands; all those things, such as implements of manufacture and trade, which are required for carrying on the cultivation or manufacture of sugar; as well as the ships which are engaged in conveying the productions to and from the West Indies; added to which, you must not forget the consumption of the owners of West India property, who are resident in England, Ireland, and Scotland.

Now, these several commodities must amount to another ten millions of pounds; thus, at present, there are twenty millions of pounds of capital, in the aggregate, employed in this trade, which are produced and consumed annually by British capitalists and British labourers.

I am now to suppose that the British parliament permits the foreign sugar of the Brazils to be substituted, in the English market, for the sugar of our own West India Islands; the reason for this alteration being, that the Brazilians can take a lower price for their sugar than the West Indians can for theirs, slave labour being *cheaper* than free labour.

I am ready to admit the fact, and will grant that we may, for aught I know, procure the same quantity of sugar, of equal quality, from the people of Brazil, for eight millions of pounds, as we now procure from our own capitalists and labourers for ten millions pounds annually.

"Not anything is more self-evident," says the economist and statesman of the modern school, "than that, by this change, we have a clear gain of two millions pounds annually!" Such is the received practical doctrine of the age.

Englishmen! it is a delusion—it is a fatal delusion—it is a delusion fraught with the destruction of the happiness and lives of millions of the people—it is the destroyer of the prosperity of nations!

It is to remove this delusion that I have ventured to address you. I will calmly examine the facts.

Before the change, I have shown that there existed a capital of twenty millions of pounds, which served to sustain British interests and British labour, in the West India islands and in England. That twenty millions will, by the change, viz., by the cessation of demand for the colonial sugar, and for the British commodities wrought for the payment of that sugar, sustain almost total annihilation.

The newly introduced Brazilian sugar, being of the annual value of eight millions pounds, must, I admit, "be paid for by the produce of English industry." It may be paid for in cash, already accumulated from English labour, or in commodities that are required by the people of Brazil.

The commodities required by the Brazilians will not be the same that were required by the West Indians, and which latter constituted an amount, or value, of ten millions pounds, corresponding with the value of their sugar.

There must, then, occur in the first place, a cessation of demand, amounting to ten millions pounds, for the productions of our West India proprietors and labourers, which casts them into a state of poverty and distress; and then there must, likewise, occur a corresponding cessation of demand for those commodities which have been produced in England for the consumption of the West India proprietors and labourers, and of which the home British capital is constituted. The owners of that capital (ten millions pounds,) and the artizans and labourers employed thereby, will likewise be cast into a state of poverty and distress.

This change throws out of use twenty millions pounds, which are replaced by eight millions! The lower price of sugar is said to make up for this enormous loss of profitable labour to our artizans. There never was a greater delusion!

My object is not to excite your feelings. I implore your most serious attention, and thus I hope to obtain the verdict of your reason, else it would not be difficult (in endeavouring to describe the sufferings consequent on the displacement of twenty millions of pounds, to be replaced by eight millions) to harrow your feelings and arouse your passions,

It is especially important to be remembered, that the new commodities wherewith the sugar of Brazil is to be paid are not supplied by a new creation of capital, because the cost of all those commodities must be taken out of the pre-existing capital, which was already engaged in maintaining labour.

In this transaction, there is not a particle of increase of capital until we come to the profit issuing out of the transaction; a similar profit having accrued also in the preceding or abandoned case, constituted by the British commodities wrought for the payment of the sugar of our West India colonies; that is, so much above the cost of production.

Again, I implore you most carefully to examine this statement.

Let us not be deceived in this most important matter. I think I have proved that, by changing our colonial supply of sugar for that of Brazil, although the price per pound may be less—that difference in apparent gain, involves a real and a much greater loss to the whole community.

Remember, also, the colonial market is certain, while that of Brazil is subject to many caprices and contingencies.

It is not unlikely, after we have incurred the losses of the change, we may hereafter be *driven* to seek our supply of sugar, in those very colonies whose plantations we are now about to throw out of cultivation!

I fancy I have demonstrated that “honesty is the best policy.” In my next I shall notice the third assumption of Mr. Labouchere.

I am,

Englishmen,

Yours constantly,

RICHARD OASTLER.

Fulham, Middlesex, July 15, 1848.

TO THE PEOPLE OF ENGLAND.

Letter VI.

FELLOW COUNTRYMEN,—It appears then (by the argument in my two last letters), that the fatal mistake of Mr. Labouchere, and those writers and statesmen who, with him, assume that it is really beneficial to exchange a home for a foreign supply, is, that they imagine capital is capable of instantaneous conversion and transmutation; they speak of exchanging the supply, but they fail to realise the operation; for, they persuade themselves that, “in some way or other,” the demand for the home-made produce will continue, and that the capital required to cause a demand for the foreign supply will, “in some way or other,” be instantaneously realised. Having failed to ascertain correctly, and to preserve practically, the cause of value, they have been led to adopt the fallacious and fatal assumption to which I have referred, and on which Mr. Labouchere has built his national policy. He carelessly relinquishes the substance—he anxiously grasps at the shadow—all the while believing that he is under the influence of “common sense.”

No wonder that, under the operation of a delusion so fatal, our hopes of national gains are met with national losses. Those who sow the storm must reap the whirlwind.

This argument shall not rest solely on my own authority. Men esteemed the wisest by the freetraders, declare the folly of those professing to be their disciples.

M. Say (so often quoted with admiration by them) has said, “The British Government seems not to have perceived that the most profitable sales to a nation are those made by one individual to another within the nation; for those latter imply a national production of two values—the value sold and that given in exchange.” Thus M. Say most admirably points out the fallacy to which I advert.

M. Say being judge, Mr. Labouchere’s proposition is folly. Instead of being “really beneficial,” the change will be ruinous. If Mr. Labouchere’s proposal should be adopted, it must entail great losses on the interests subjected to its influence; or M. Say is ignorant on the most important branch of the science which he teaches.

Another “great light” has spoken on this subject—the man who is almost adored by the “lesser lights” in the firmament of free-trade!—he whom Mr. Cobden declared had “clearly demonstrated the obvious truths of free trade”—Adam Smith, writing on this most important branch of political economy, the comparative

value of home and foreign trade, says:—"The capital which is employed in purchasing in one part of the country, in order to sell in another, the produce of the industry of that country, generally replaces by every such operation two distinct capitals that had been employed in the agriculture or manufacture of that country, and thereby enables them to continue that employment. When it sends out, from the residence of the merchant, a certain value of commodities, it generally brings back in return, at least an equal value of other commodities. When both are the produce of domestic industry, it necessarily replaces by every such operation two distinct capitals, which have both been employed in supporting productive labour, and thereby enables them to continue that support. The capital which sends Scotch manufactures to London, and brings back English corn and manufactures to Edinburgh necessarily replaces, by every such operation, two British capitals which had been employed in the agriculture or manufactures of Great Britain.

"The capital employed in purchasing foreign goods for home consumption, when the purchase is made with the produce of domestic industry, replaces also, by every such operation, two distinct capitals, but one of them only is employed in supporting domestic industry. The capital which sends British goods to Portugal, and brings back Portuguese goods to Great Britain, replaces by such operation only one British capital. The other is a Portuguese one. Though the returns, therefore, of the foreign trade of consumption should be as quick as those of the home trade (which it is impossible they should be) the capital employed in it will give but one half of the encouragement to the industry or productive labour of the country."

Englishmen! I told you that I would establish the folly of Mr. Labouchere's assumption by the authority of "the great lights" in the free trade school. I have done so. I would not, however, ask you to build your faith on what I, or M. Say, or Dr. Adam Smith, or Mr. Labouchere may assert. Examine the subject for yourselves, and if you find, as I believe you will, that the principles of free-trade are erroneous and ruinous, whether you be millowners, merchants, farmers, shopkeepers, artisans, nobles, or bishops, be candid, confess, repent, and retrace.

Lastly, I have to examine Mr. Labouchere's third assumption, viz., "This free international exchange of the produce of industry is beneficial in the general extension of commerce, and is a boon, not merely to one nation, but to all that engage in it."

Be it always remembered that the "free international exchange" here referred to by Mr. Labouchere, is that which, in each country, supersedes the home exchange by a foreign exchange; in other words, every nation will be enriched and secure its own prosperity by abandoning its own supply and buying of foreigners. That is what Mr. Labouchere believes to be "a boon, not merely to one nation, but to all that engage in it."

The people who export such home productions as they require

for their own use, impoverish themselves by failing to produce the goods required in exchange. But an argument in refutation of such a transparent error would be as useless as one to prove that the night is not darker than the day.

I have shown that if England should adopt the proposition of Mr. Labouchere, immense loss must be the result.

I have proved that Adam Smith and M. Say (the adopted authorities of the free-trade school) assert the same fact. The argument thus advanced, holds good with regard to any and to every country that adopts that fatal error. It is to this formidable fallacy that the prosperity of all nations, the happiness and lives of all people, will be sacrificed, if this ruinous principle should be universally adopted.

What then, is the only true and really beneficial principle of trade, that will ensure prosperity to all?

In my next I will endeavour to answer that most important question.

Meantime, it may not be uninteresting for you to peruse the remarks of a foreigner on the great changes that have lately been made in our national policy, and on their natural consequences. A looker-on sometimes gives very useful hints.

In the *New York Courier and Enquirer*, of March 10th, 1848, the following remarks are made. I think they are worth your perusal :

“Free-trade and its consequences seem at this moment, in England, to be leading to results which threaten disaster, certainly, if not overthrown, to the colonial power and prosperity of that country, if not to its whole frame and form of government. In the pursuit of a vain theory, as it seems to us—very beautiful and quite truth-like in its professions, but most difficult and hazardous in partial application, and quite impracticable and hopeless as to general adoption—the old and approved systems of English commerce, manufactures, agriculture and navigation, are one by one departed from, and the prosperity which has been coincident with, not to say caused by, these systems, seems to be vanishing with them. The principles which lie at the bottom of free-trade stop not at mere trade, or the occupations of industry, in any given pursuit; but, if to be received at all, must be received universally, and their consequences inexorably followed out and accepted. It is quite impossible, as it seems to us, that an old and artificial condition of society—bolstered up by prerogative, rank, ancient and peculiar privileges, an established church, an hereditary peerage, entailed estates, and exclusive borough privileges, can co-exist with the fundamental principle on which free-trade rests—that money cheapness is the one thing needful for all we require, and money dearness the one aim of all we have to offer in exchange. In other words—those of the received free-trade formula—‘to buy where we can cheapest, and to sell where we can dearest.’ This dogma looks, of course, to unlimited and unrestricted competition; but such is the intimate relation of all pursuits, one with another, in

civilised communities, that such a dogma, once intruded and made applicable to the various callings of manual industry, will not stop there, but will extend itself into higher regions. If the farmer is to lose all the benefit of protection for the fruit of his labour, from the competition of labourers, cultivating, in another country, better land under a more favourable climate, and subject to lighter burdens of taxation,—if he is to be compelled to adopt the dogma of cheap corn—he may reasonably claim that the same dogma should be enforced upon others, and then proceed to ask why a royalty, such as England is now blessed with, prolific of children, each one of which is munificently endowed at its birth, and provided for by the people, and itself most costly, should not be exchanged for a government as cheap, for instance, as that of the United States. If his corn must be subject to the rule of unrestricted competition, why should the Crown be exempt from the same rule? If there must be a crown and throne at the summit of the social edifice, they might be occupied at a much cheaper rate than now, if not protected by a close monopoly. So, too, of an hereditary peerage, another close monopoly—so too, of entailed estates. We do not say that it would be for the benefit of England that unrestricted competition should be introduced in these and like circumstances and stations; but it is difficult, we apprehend, to discriminate satisfactorily to the farmer or the manufacturer, between the case of the protected crown, or the protected peer, and the protected estate—and the heretofore protected products of the soil and of the loom. If money cheapness is the one unerring standard as to the latter, why not as to the former? And if systems, heavy with age and productive of an amazing degree of prosperity—applicable to industrial pursuits, are at once to be swept away in compliance with the spirit of the age, the progress, the new lights of humanitarian philosophers, and their pursuits are to be left to their own unaided struggles, it is not very obvious why political institutions, not more venerable for age, not more productive of happiness and prosperity, than those which are ruthlessly swept away, should be maintained. And to this point, if the free-trade path be followed out, things must come; for innovation abates not of its pretensions with success; and the very impetus which has struck down the corn laws, and is now imparted to the effort to strike down the navigation laws and the colonial monopoly, will, if this be successful, lend increased energy to still further and more searching reforms; and having gone through the catalogue of commercial and manufacturing and agricultural monopolies, and done away with all these, the attention of the reforming system-mongers will be turned to political monopolies, to landed monopolies, to ecclesiastical monopolies, and the whole fair fabric of English polity will be subject to revision by these men of system, men of one idea, who, having embraced a doctrine, run mad with it, and will see none other, nor any objections of any sort to the success, at whatever cost, of the favourite dogma.

“In this position, as it seems to us, England now finds herself.

Having built up, at great pains, and by severe prohibitory and ample protective legislation, agricultural, manufacturing, commercial, and colonial monopolies, of unprecedented extent and prosperity, and having, with such a system, attained to a height of power, of renown, and of extended empire, that country now is busied with an experiment upon all these time-honoured and time-improved establishments, and, in conformity with a theory never anywhere as yet proved or practically carried out, is undoing all that the wisdom of other days had done."

Those hints given by an American, are deserving the very serious attention of every Englishman.

I am,

Fellow-countrymen,

Yours, faithfully,

RICHARD OASTLER.

Fulham, Middlesex, July 20th, 1848.

TO THE PEOPLE OF ENGLAND.

Letter VII.

FELLOW COUNTRYMEN,—Principles, like water, will find their level. Vain is the attempt to stay their progress. Sin cannot amalgamate with holiness—nor can darkness with light. Neither can the free principle of action accommodate itself to the restraining, regulating influence of our glorious constitution. This truth is acknowledged by the American writer quoted in my last. Would that those in high places, from the Throne downwards, could embrace that truth, and fully appreciate the inevitable tendency and effect of every submission to the false philosophy of this age.

The Leaguers know that crowns and mitres and coronets must fall; that colonies will vanish under the successful operation of their principle. True, they do not avow this conviction in public; in private, they hesitate not to admit that a Republic, with no national Church, no privileged orders, no colonies, no national debt, must result from the operation of the free principle. But, clever as they are, they fail to perceive another inevitable consequence of what they call “progression”—they do not foresee their own downfall in the universal crash.

May Almighty God, in mercy, save them from the curse of their own craftiness, and our lawmakers of every rank, from that of their wickedness, in promoting the progress of a false and disorganising philosophy. May those who still retain their privileges deserve them, by restoring the right of the poor.

I have, in my former letters, shown the danger and fallacy of Mr. Labouchere’s assumptions, comprehending as they do, the received assumptions of the age. Duty requires that I should explain to you the only principle on which, as I believe, trade can be beneficially conducted.

The subject is of the most vital importance. Give me your serious attention.

It is absolutely necessary to the correct apprehending of the principle under discussion, that the true cause of value should be ascertained and acknowledged.

That cause is demand. Demand cannot exist where there are no equivalents. Hence the first requisite in trade, is the creation of those equivalents.

Thus, A. is employed in producing food, first for his own consumption, next for an equivalent in value—clothing, which he procures from B., who has produced clothing, first for himself, next for an equivalent in value—food, which he procures from A.; and thus, through all the various productions of a people, the surplus

of each causes the demand and imparts the value to the whole. Hence the necessity of always regulating the quantity and quality of our productions by the standard of the requirements of the people, so as to ensure equivalents for all.

To give necessary increase to the national capital, and thus provide for the regular and profitable employment of an increasing population, it is requisite that those equivalents should be (in all nations, when they can) domestic productions. Both equivalents being of home manufacture, the national capital will be increased twofold.

These fundamental truths being admitted, it follows that trade, to be "really beneficial," must, everywhere, be founded on the principle of mutual dependence. One man's produce will then give value to the produce of another—and thus the whole community will be enriched; whereas, on the principle of individual independence, or universal competition, each man's produce reduces the value of another's—thus the people are impoverished.

The case I have stated represents the system of barter; but the principle applies also to a condition of trade, requiring a circulating medium and distributors. That principle may not, without disorder and loss, be disregarded, though A. and B. should be capitalists or numerous capitalists, each employing thousands or hundreds of thousands of people. Wherever the law of proportion in production is broken, confusion must result—loss will be consequent.

You will bear in mind, that in this argument the inhabitants of our colonies and the mother country are considered to constitute one people.

When more food, clothing, and other domestic productions are created than the whole people require, then, but not till then, it is prudent and safe, with such surplus, to make a less advantageous exchange with other nations, for such produce as they have in excess, and which we require.

Care must always be taken, that our exchange with foreigners shall never exceed in amount that surplus; else we shall disarrange our home exchange, and thereby cause a reduction in the value of our own produce.

Mark, there is no communism in this plan—no requiring the government to become the employers of the labour of the country. There is nothing new in the principle. It is universally adopted in the affairs of every prudent man—of every thrifty housewife. It is carried into practice in every department of the State. It was recognised by our ancestors in their Guilds. It is sanctioned by M. Say and Dr. Adam Smith. It has never been disproved, although it has, by successive governments, been gradually abandoned as the rule of trade—the only reason (!) advanced being, that Mr. Ricardo, referring to the argument of Dr. Adam Smith, said, "This argument appears to me to be fallacious." And Mr. M'Culloch, after attempting to refute the same argument, confessed, "This, however, is a question that does not perhaps admit of any very *satisfactory* solution." A strange assertion from the lips of an apostle of free-trade, bearing on the fundamental principle on which the science he affects to teach, rests.

Has any other man proved the fallacy of this principle admitted by Say and Smith? If so, let him be named. Has Mr. Cobden? No, surely! He has never condescended to argue the principle—he asserted that “Adam Smith had clearly demonstrated the truth of free-trade.” But he failed to tell his dupes *where*. Has Sir Robert Peel confuted Say and Smith? No! he avows that he is the mere follower of Mr. Cobden.

Fellow-countrymen, the principle asserted by M. Say and Dr. Adam Smith still stands uncontroverted, though all our productive industry has been subjected to the decaying and withering influence of the opposing principle; and strange indeed it is, Dr. Adam Smith is the authority relied upon for the change. Was there ever before such infatuation, such delusion, such fraud?

Wonder no longer at the agonising crisis through which you are passing—the horrid gulph into which you are sinking. Resolve, however, that you will be deluded no more. Listen not again to “charmers” who would set you on another round of agitation—but try the principle they have been striving to establish, and seriously study the question for yourselves, so that when you are convinced of the ruinous tendency of cheapening everything—of “buying at the cheapest market and selling in the dearest”—when you are sure that universal competition is universal ruin—you may be prepared to adopt the principle of your ancestors, ratified by the approval of M. Say and Dr. Adam Smith.

Believing, as I do, that after calm, patient, and close examination of the principle and operation of free-trade, you will come to the conclusion, that it is the destroyer of the value of labour, and consequently of the manufacturing and mercantile profits of the nations that adopt it—not doubting that you will eventually be convinced, that the principle adopted by our ancestors, and approved by M. Say and Dr. Adam Smith, is true, and that it affords the only means of giving profitable and regular employment to the people, and of increasing the capital of the country, so as to afford employment for our increasing numbers, I would urge you, when you are thus satisfied as to the principle, to turn your attention to the best mode of removing that which is false and establishing that which is true, still remembering, that all sudden changes are productive of confusion and loss.

Study the ancient system of Guilds. Be not afraid of the taunts of our pedantic, ignorant, self-styled philosophers. Be sure our grey-headed ancestors were wiser than they. Try to accommodate the principle of Guilds to our modern improvements and alterations.

Think, also, of the utility of a Secretary of State for agriculture, manufacture, and commerce. I know no reason why the sources of all our wealth should have no special advocate in the Queen’s Cabinet and in the Parliament.

Let me entreat you, my fellow-countrymen, to turn your solemn and fixed attention to these most important subjects; in these you all have an interest, while party agitations are only for the profit of a few.

I grant that the questions of representation, currency, taxation, and emigration are each and all of them very important; but believing as I do, that the industrial wealth of this country can never be fairly and fully developed, until it is regulated (or, if you will have the word—protected) on the principle laid down by M. Say and Dr. Adam Smith, I cannot conceive that any of those questions partake of the vital and immediate importance of this one, between the principle of mutual dependence and individual independence—in other and more popular words—protection and free-trade.

We are apt to talk of over-production—only because we do not apprehend the immense influence of the just principle of demand and supply. We say, we have an over-production of manufactured goods; when our people are in rags! Immense as our productive energies are, we have not yet ascertained whether they are equal to our national wants. Nor can we, until we submit them to the only true principle of regulation.

Do you, after all, object “this plan would destroy the freedom of action.” I grant that it would interfere to prevent any one getting rich by a system that makes the nation poor.

If you think such interference injurious, you should procure the repeal of all laws against fraud and theft.

The just principle of regulation, or protection, would restrain every man from doing wrong—there the restraint would end.

Do you fancy that this regulation is unnecessary, because “it is certain that every man’s interest will induce him to adopt the most profitable mode of production?” Sad and universal experience proves the contrary. What social, individual miseries are consequent on men, with and without capital, competing to their own ruin, and the wretchedness of thousands, each hoping to recover his losses, when he has driven his competitor out of the market.

Where, then, is the unreasonableness of subjecting all our industrial interests to the regulating and controlling influence of committees chosen by ourselves? I confess I see none. The interest of all would be thereby secured, the just prerogative of each maintained. Fellow-countrymen, I leave this great question in your hands, beseeching you to be no longer deluded with the idea that any one, in ancient or modern times, has satisfactorily established the utility of universal competition—the honesty of buying in the cheapest market and selling at the dearest, or, the wisdom of submitting the industry of nations to the crucible of free-trade.

Bring the united force of your collective intellect to bear on this subject, banish prejudice, let reason resume her sway, and sound common sense decide.

I am,

Englishmen,

One of the old school.

RICHARD OASTLER.

Fulham, Middlesex, July 28th, 1848.

P.S.—I would respectfully recommend those who wish to see the fallacies of the free-traders brought to the test of truth and confuted, to read and study, “Principles of political economy; or, the laws of the national commonwealth: developed by means of the Christian law of government. By William Atkinson.” Whittaker and Co., 1848. R. O.

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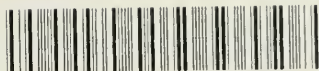
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